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September 17, 2004

The California Performance Review Commission
c/o Governor's Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

Dear Commissioners:

Subject: The California Performance Review (CPR)

The CPR recommends eliminating the Colorado River Board of California (Board) with the following language:

Eliminate the Board. Negotiations and issues related to California's "fair share" of Colorado River water – one of the most complex and important issues confronting the state – should be handled directly by the Governor's Office with assistance from the Secretary of Natural Resources.

The CPR asserts that the elimination of 118 boards and commissions, including the Board, will reduce government costs, increase efficiency in government operation, and improve accountability. While this may be true in some cases, elimination of the Board will, in fact, increase the State's costs and decrease California's effectiveness in protecting its interests in the Colorado River system.

The other six states with rights to Colorado River water have a contract with the federal government that is a state-to-federal contract. California does not have such a contract – the contracts within California are between the federal government and the individual water-using agencies. The Board is essentially the implementing agency as outlined in those contracts. If the Board is eliminated, the bargaining power of the contracting agencies will be substantially diminished.

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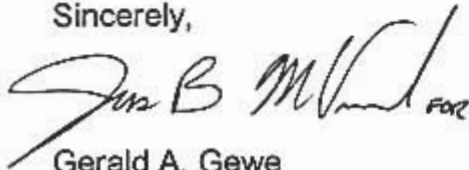
The State of California has ceased funding the Board. Therefore, the elimination of this Board does not save the State any money at all. The Board is currently funded in total by the contract-holding agencies within California. Should the Board be eliminated, the funding mechanism will also be eliminated. If the California agencies no longer fund the Board's activities, any necessary funding must then come from the State. Thus, elimination of this Board will actually increase the State's costs.

The six California agencies with a direct interest in the Colorado River, and the agencies that hold the contracts, are in a far better position to focus on, and add expertise to, Colorado River issues. Should this function move to the Secretary of Natural Resources, it becomes a small piece on a big plate and the plate lacks the expertise to protect California's interests.

The Los Angeles Department of Water and Power recognizes the goals of the CPR and recommends that the Board be kept intact.

If you have any questions, please call me at (213) 367-1022 or have your staff contact Mr. David R. Pettijohn at (213) 367-0899.

Sincerely,

A handwritten signature in black ink, appearing to read "Gewe" followed by a stylized flourish and the word "FOR" in small capital letters.

Gerald A. Gewe
Chief Operating Officer - Water System

c: The Honorable Denise Moreno Ducheny
Senator, 40th District

Mr. David R. Pettijohn